



South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

ECONOMIC TRENDS

January 's seasonally adjusted unemployment rate was 2.9 percent for the Twin Falls/Jerome Micropolitan Statistical Area. This was five-tenths of a percentage point lower than December and 1.1 percentage points lower than January 2005. The civilian labor force increased by 17.5 percent, or 8,900 workers, year-over-year.

All the economic indicators for the western part of the region are remarkably strong. The Twin Falls-Jerome area has shown a 14 percent increase in nonfarm payroll jobs from January 2005 to January 2006 or 5,160 jobs. Every employment sector has shown positive growth over the year. This unprecedented growth indicates tremendous success in employment diversity and the spread of employment opportunities in many different areas. Such diversification spreads risk so that major recessionary blows in a particular occupational category will not result in catastrophic increases in unemployment.

Even though all sectors show job increases, some have experienced extraordinary growth, especially in construction where there has been an 83.8 percent increase in jobs. Growth has also been strong in all categories of construction from heavy industrial and retail to residential. The strong performance of all construction sectors indicates the growth can be attributed to economic strength and not an extraordinary event or particular construction project..

The city of Twin Falls has shattered residential housing permit records four years in a row and is on record pace in 2006. The city of Jerome has also experienced strong residential building, and even Lincoln County, typically a more sedate area for residential con-

South Central Idaho Table 1: Twin Falls MicSA Labor Force & Employment—Twin Falls and Jerome counties

	Jan 2006*	Dec 2005	Jan 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	54,430	47,610	46,340	14.3	17.5
Unemployment	1,530	1,550	1,820	-1.3	-15.9
% of Labor Force Unemployed	2.8	3.3	3.9		
Total Employment	52,900	46,060	44,520	14.9	18.8
Unadjusted					
Civilian Labor Force	53,350	47,900	45,430	11.4	17.4
Unemployment	1,960	1,470	2,200	33.3	-10.9
% of Labor Force Unemployed	3.7	3.1	4.8		
Total Employment	51,390	46,430	43,230	10.7	18.9
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	42,120	42,400	36,960	-0.7	14.0
Goods-Providing Industries	8,880	8,990	6,310	-1.2	40.7
Natural Resources & Mining	30	30	30	0.0	0.0
Construction	3,400	3,510	1,850	-3.1	83.8
Manufacturing	5,450	5,450	4,430	0.0	23.0
Food Manufacturing	3,710	3,710	2,710	0.0	36.9
Other Manufacturing	1,740	1,740	1,720	0.0	1.2
Service-Providing Industries	33,240	33,410	30,650	-0.5	8.5
Trade, Transportation & Utilities	10,500	10,560	8,950	-0.6	17.3
Wholesale Trade	1,600	1,600	1,590	0.0	0.6
Retail Trade	6,400	6,460	5,380	-0.9	19.0
Utilities	190	190	160	0.0	18.8
Transportation & Warehousing	2,310	2,310	1,940	0.0	19.1
Information	650	650	600	0.0	8.3
Financial Activities	1,840	1,840	1,760	0.0	4.5
Professional & Business Services	5,350	5,390	5,180	-0.7	3.3
Educational & Health Services	3,120	3,120	2,880	0.0	8.3
Leisure & Hospitality	3,180	3,180	2,850	0.0	11.6
Other Services	1,440	1,440	1,310	0.0	9.9
Government Education	3,390	3,460	3,260	-2.0	4.0
Government Administration	3,770	3,770	3,740	0.0	0.8

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

struction, had its residential construction double over the year. The city of Fairfield in Camas County is in the process of annexing 285 acres for residential development. Once complete, this could result in as many as 1,200 new residences and would more than triple the population of Fairfield.

Job opportunities are causing this growth in rural areas that previously showed slow or even negative growth. The western Magic Valley is not the only area experiencing tremendous job growth. Blaine County is also enjoying an extremely robust economy. The unemployment rate has hovered near the 2 percent mark for the last several months, and the area is experiencing a labor shortage. Due to a combination of excellent skiing weather and nationwide increases in tourism, Sun Valley is experiencing one of its best tourism years ever with levels that have

not been seen since before the Sept. 11 terrorist attacks. The Blaine County area has a tremendous obstacle to overcome in worker recruitment and retention, however. Affordable housing is in tremendously short supply, especially from Bellevue north to the Sun Valley-Ketchum area. Blaine County has the highest per capita income in Idaho and exceeds the national average. Due to the short supply of land, housing costs are prohibitive and people in the service sector and even in some professional sectors like teaching cannot afford to buy houses or even rent in the immediate area. Towns in rural Blaine County such as Picabo and Carey and in surrounding counties within commuting distances have become extremely important to the labor supply. Wages in the area are typically higher than in counties to the south and workers are considering new housing in rural counties.

In general, the outlook for 2006 is very optimistic. Construction is expected to continue to be strong. Existing projects like the Pole Line Road widening project in Twin Falls and new projects such as the construction of a new temple for the Church of Jesus Christ of Latter-day Saints, combined with new residential construction, contribute to the positive outlook. Low unemployment is fueling consumer confidence, and the retail and service sectors are expected to stay strong throughout the year. The 2005-2006 winter water year has been exceptionally good with snow packs well over 100 percent of 30-year normal levels. While this does not immediately erase water shortage difficulties presented by the previous five-year drought, it is especially helpful to surface water users, and reservoir levels should be good. The water levels in the Snake River Aquifer and the need to recharge it for future groundwater use continues to be a serious concern. However in 2006, agriculture should do well overall. Dairy and beef cattle industries will have a good year, and growers should see average or above average prices.

AREA DEVELOPMENTS

Twin Falls County

- Jayco Inc., a recreational vehicle manufacturer in Twin Falls, recently announced it plans to expand. The company opened its Idaho manufacturing facility in early 2006 with 35 employees and one assembly line. Jayco now employs 160 workers and produces an average of 8 to 10 trailers a day. The goal is to reach 15 trailers a day. The company announced its plans at a one-year anniversary celebration in February with Idaho Governor Dirk Kempthorne, Commerce & Labor Director

Roger B. Madsen and many local business and governmental leaders as guests. Jayco has entered active negotiations to acquire a large parcel of land in the region for future growth. The governor called Jayco “a great corporate citizen” and “one of the great, great companies in the United States.” Madsen added that Jayco’s growth is a “dream come true.”

- Voters in the Twin Falls School District passed a \$49.7 million school bond levy on March 14 that includes a facilities plan to reconfigure classes in all of the district’s buildings. The high school will include grades nine to 12 in the same building instead of the current grades 10 to 12. The district’s junior high schools will become middle schools housing grades six to eight. The major feature of the bond is a new \$37.6 million high school to be built near Washington Street and North College Road across the road from College of Southern Idaho. This proximity will enable more dual credit offerings from the college to the high school. A portion of the grant – \$6.5 million – will be used to configure the existing Twin Falls High School for grades nine to 12 with a new ninth grade wing, cafeteria and additional classrooms. All of the existing elementary schools, except Oregon Trail Elementary School, will be remodeled and equipped with improved classroom facilities. Construction should begin in 2007.
- The new D.L. Evans Financial Center opened in mid-February in Twin Falls with an open house in March. The new building provides customers with branch banking, commercial lending, real estate lending and investment services. D.L. Evans is a local bank that opened in 1904 with its first branch in Albion. The bank has administrative offices in Burley and 16 branch offices in Albion, Burley, Rupert, Twin Falls, Jerome, Boise, Meridian, Ketchum, Pocatello, Hailey and Nampa. It also has mortgage lending offices in Twin Falls and Boise.

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